



Director of  
Central  
Intelligence

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# National Intelligence Daily (Cable)

29 March 1979

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CHINA: The "Democracy" Movement

//China apparently is moving to define the limits of acceptable "democratic" activity while proscribing behavior that is either socially disruptive or potentially embarrassing. This effort has taken on greater urgency with the planning of rallies next Thursday, the third anniversary of major demonstrations in support of the then beleaguered Deng Xiaoping.//

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//Deng, an outspoken advocate of the "democracy" movement, reportedly made a speech on 16 March in which he criticized those who appealed to US officials on human rights grounds or became "too close" to foreigners. The media have warned against carrying "democratization to the extreme" and have noted that a campaign to "defend human rights" is unnecessary.//

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//The "democracy" movement has not been affected by this criticism. Although contact with foreigners has dropped off, posters continue to appear regularly; some even criticize Deng for his speech. Authorities are attempting to restrict wall posters to designated areas to avoid disrupting traffic but are not trying to regulate their content. Chinese officials seem particularly concerned that a relaxation in lifestyle has led the young to adopt wholesale a number of Western practices still

25X1 regarded as decadent.//

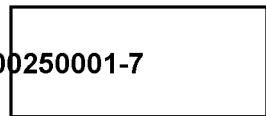
Although it is possible that opponents of the policy have forced Deng to damp down the democratic movement, it is equally likely that he has become concerned that its excesses--particularly the calls for human rights addressed to foreigners--could prove embarrassing. Chinese leaders probably recognize that easing restraints on political activity has set in motion a process that can be reversed only at great risk to social stability and popular good

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//They seem just as aware, however, that unfettered political activity also poses unacceptable risks to stability. This delicate balance may well receive its most important test next Thursday, when activists planning rallies for "human rights and democracy" expect a "confrontation" with the authorities.//

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## ITALY: Presentation of New Government

Prime Minister Andreotti will present his new government program to parliament today. Following debate, a vote of confidence will be taken no later than Monday.

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//Failure of the government to obtain a majority--as is likely given the declared opposition of the Communist and Socialist Parties--will lead to Andreotti's resignation. President Pertini would then dissolve parliament, and it would be up to Andreotti as caretaker prime minister to call a national election--possibly on the same day as the European Parliamentary election on 10 June.//

//Andreotti could win the confidence vote by obtaining the support of some rightwing members of parliament and a significant number of Socialist defectors.

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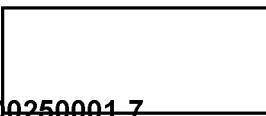
The Communist Party's triennial congress will be taking place during the parliamentary debate. The congress will provide a forum for views by the local branches of the party and give some indication of the constraints on party chief Berlinguer as he prepares for elections and for eventual negotiations on a new government. Andreotti hopes Berlinguer will be more flexible after he reaffirms his leadership at the congress, but indications are the delegates will insist on cabinet seats for the party as the price for supporting a new government.



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PAKISTAN: Plans for Bhutto's Execution

//Former Prime Minister Bhutto could be executed no later than Monday. By carrying out the sentence on that date, as predicted in the press, the government will have given Bhutto slightly more than the seven days traditionally granted for an appeal for clemency from a death sentence. The Supreme Court on Saturday rejected Bhutto's final attempt to overturn his conviction for murder. Bhutto refuses to ask for clemency, and President Zia-ul-Haq has repeatedly said he will not stay the execution. Zia might order Bhutto hanged before Monday in reaction to apparent growing opposition to the execution by senior military officers and cabinet members, many of whom probably fear both the internal unrest and international opprobrium that are likely to follow. Thus far, Bhutto's supporters have not taken to the streets partly because his top lieutenants were arrested some weeks ago and possibly also because they do not want to prejudice a final appeal for clemency.//

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UK: Conservatives' Victory

//Conservative leader Margaret Thatcher's one-vote victory over Prime Minister Callaghan in the no-confidence vote last night means that she must quickly convince British voters that she is capable of being Prime Minister. Parliament could be dissolved as early as next week and the election held in late April or early May. Callaghan would prefer to postpone the election as long as possible in hopes that the electorate will forget the recent strikes and that his Labor Party might reverse its second-place standing in the polls. Thatcher, of course, wants an early election for precisely the opposite reasons. Plans to present the annual budget to Parliament on Tuesday will be canceled. In the next few days, Thatcher and Callaghan will discuss enabling legislation to extend tax collection powers and other necessary government functions until a new government can be formed.//

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USSR - SAUDI ARABIA: Bid for Relations

Now that the fighting between North and South Yemen has subsided, the USSR has gently reminded Saudi Arabia that the door remains open for closer relations between Moscow and Riyadh. A Soviet commentary on Tuesday touched on themes the Soviet media had noted in January and February--that Saudi Arabia should reconsider its "special relationship" with the US and its hostility toward the USSR. Moscow has also praised Saudi resistance to US attempts to obtain Saudi support for the Egyptian-Israeli treaty.

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AFGHANISTAN: Government Appointment

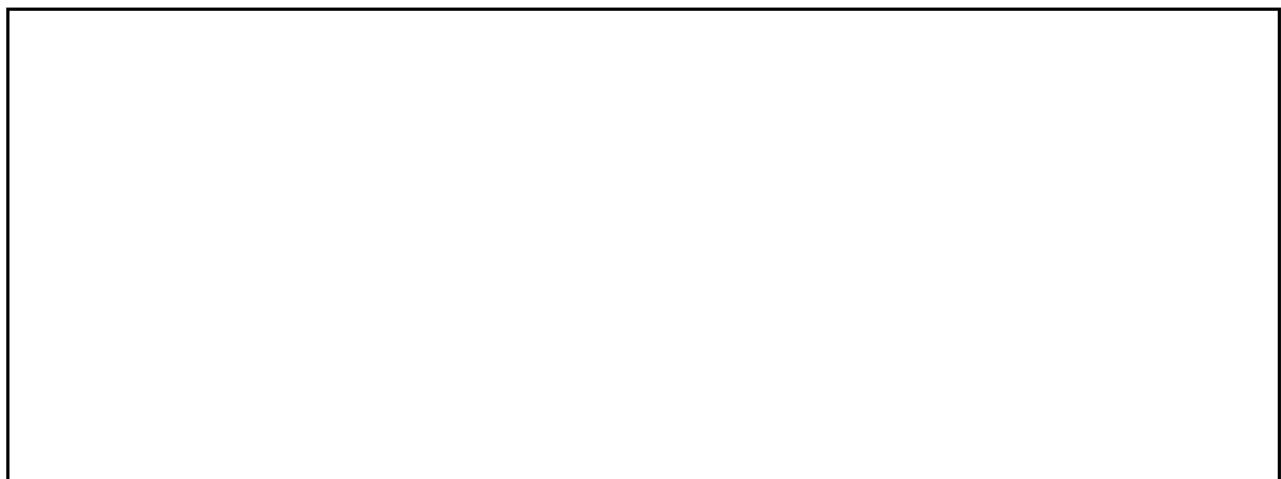
The appointment of Foreign Minister Amin as First Minister enhances his formal status but may not represent an enlargement of his role in the government. Amin has been supervising government operations for some time. The government may have made the appointment to clarify both the succession to President Taraki and Amin's authority to deal with widespread unrest. Despite persistent rumors, there is no firm evidence of a rift between the two Afghan leaders or an attempt by Amin to force out Taraki.

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#### BRAZIL: End of Metalworkers' Strike

The Sao Paulo metalworkers' strike ended on Tuesday with agreement on a government-mediated interim settlement, but the new government of President Figueiredo is almost certain to face demands from other labor groups. The metalworkers got wage increases similar to those received by other unions, but other major issues are to be ironed out during a 45-day negotiation period. After the government took over the metalworkers' unions late last week and ousted their leaders it softened its stance considerably. It quietly allowed the leaders to exercise authority and, as part of the agreement, will give up control of the unions. Some government officials may have decided that the regime had overreacted and that ousting the moderate union leaders only cleared the way for others with more radical views. Several groups have staged successful strikes this year. Their gains, coupled with the spiraling cost of living, virtually guarantee that over the coming months workers in many other sectors will press demands for large wage increases.

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